



cc: 06-122

October 30, 2007

Federal Communications Commission  
Telecommunications Wireline Division  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

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RE: QuantumShift Communications, Inc.  
USAC Filer ID 820327  
FRN No. 0004 3375 23

Dear Sir or Madam:

I am seeking Commission assistance in resolving an ongoing matter between QuantumShift Communications, Inc., ("QuantumShift") and the Universal Service Administrative Company ("USAC"). Specifics and a brief history of events are outlined below:

1. Due to a transfer in control of ownership, and at the direction of USAC, the above utility began filing its 499-Q's and 499-A's on a consolidated basis effective August 2005. (Formerly, the company was filing two 499-Q's, and two 499-A's under filer 820327 and 823408).
2. In April 2006, QuantumShift filed its required 499-A via USAC's online filing system, which was due April 1, 2006, and reported revenue year 2005.
3. In July 2006, the company received the first in a series of three true-up invoices for the revenue year 2005.
4. Upon reconciliation of the data used by USAC in calculation of the 499-A true-up invoices, I discovered USAC had used incorrect projected, collected billing data in the true-up formula.
5. Specifically, USAC did not include two quarters' worth of projected, collected end user revenues for one of the companies involved in the transfer of control mentioned in point one above in its calculation of the true-up. That filer ID was 823408.
6. In raising this issue with USAC, they investigated and subsequently reversed the originally-assessed true-up on a series of three monthly invoices. USAC simultaneously billed the company for a *revised* true-up on those same three invoices.

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7. Unfortunately, the amount re-billed was still incorrect. Again, USAC failed to include some of the previously-reported projected, collected end user revenues in the calculation of the revised true-up for filer ID 823408.
8. USAC's explanation for not including all revenues originally projected via the 499-Q filing process was such that "due to the merger of the two companies, a 'backed out' method for calculating a true-up was used."
9. The net result of USAC's rather unconventional method of calculating the true-up resulted in a true-up allegedly owed in the amount of approximately \$12,000 more than what it would have been, had the originally projected revenue amounts been considered in the true-up calculation.
10. To date, and despite numerous repeated attempts for supporting information, USAC has been unable to produce any type of official document, decision, or Commission order which gives them the authority to deviate from standard, established true-up methodology calculations.
11. After pursuing resolution informally with USAC, I was advised to file an official "appeal" with them, with the understanding that their legal counsel would review the matter and provide findings to me.
12. The appeal was filed in November 2006. During such time that the appeal was under investigation, the company was advised to hold off paying any true-up amount. Moreover, USAC indicated its willingness to reverse any and all late payment charges accrued as a result of not paying the true-up; and it agreed to keep our company's name off the DCIA collections list. USAC has acted accordingly, and this is not a point of contention.

Despite repeated attempts at gaining resolution on this matter from USAC, it is still outstanding. USAC cannot seem to provide a suitable answer; nor can they provide any official documentation supporting their position on the matter. Therefore, I am seeking Commission intervention in an effort to gain closure to this issue.

The company would very much like to pay the true-up amount due for revenue year 2005; however, not until a correct invoice is received. Please contact me at your earliest convenience with any questions.

Sincerely,



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Director, Regulatory Affairs

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